

Message Text

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SUBJ: USSR MINIERAL FERTILIZER PRODUCTION SUFFERING FROM SHORT-
AGE OF SULFURIC ACID

REF: MOSCOW 10522

1. BEGIN SUMMARY: ACCORDING TO THE CENTRAL PRESS, INVESTI-
GATIONS HAVE NOW SHOWN THAT CURRENT SHORTFALLS IN MINERAL
FERTILIZER PRODUCTION ARE PRIMARILY DUE TO PERSISTENT PRO-
BLEMS IN PRODUCTION OF SULFURIC ACID, A KEY FEEDSTOCK. ONLY
THREE WEEKS AGO, THE CHEMICAL INDUSTRY MINISTER HAD
PUBLICLY BLAMED CONSTRUCTION DELAYS AND TEMPORARY NATURAL
GAS SHORTAGES FOR THE FERTILIZER SHORTFALL AND MADE NO REFER-
ENCE TO THE SULFURIC ACID PROBLEM, WHICH FALLS WITHIN HIS
JURISDICTION. END SUMMARY.

2. SOTSIALISTICHESKAYA INDUSTRIYA (SOCIALIST INDUSTRY) ON
JULY 27, PUBLISHED AN "ECONOMIC REVIEW" ARTICLE
WRITTEN BY YU. KOROBKO EXAMINING WHY THE MINISTRY OF THE
CHEMICAL INDUSTRY, WHICH PREVIOUSLY HAD SHOWN GOOD PRODUC-
TION RESULTS FOR MINERAL FERTILIZER, MISSED IT'S SIX MONTH
TARGET FOR 1976 BY MORE THAN 700 THOUSAND TONS. HE
NOTES THAT THE MINISTRY EARLIER THIS YEAR SEEMED UNCONCERNED
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AND BLAMED THE PROBLEM ON NATURAL GAS SHORTAGES DUE TO

THE SEVERE WINTER, POOR EQUIPMENT AND SPARE PARTS DELIVERY PROBLEMS. BUT THE EXPECTED "DECISIVE" UPTURN DID NOT OCCUR AS ANTICIPATED AND THREE MAIN INSTALLATIONS ALONE WERE MORE THAN 600 THOUSAND TONS BELOW TARGET AT MID-YEAR: THE UVAROVO CHEMICAL PLANT AND THE KINGISEPPSKOE AND ROVENSKOE PRODUCTION ASSOCIATIONS.

3. A SPECIAL MINISTERIAL INVESTIGATING COMMITTEE HAS NOW CONCLUDED THAT THE MAJOR FACTOR WAS "NEGLIGENCE" IN SULFURIC ACID PRODUCTION. KOROBKO DESCRIBED SITUATIONS SUCH AS THAT AT THE KINGISEPPSKOE ASSOCIATION WHERE, DUE TO THE LACK OF TRAINED SERVICE PERSONNEL, A NEW SULFURIC ACID PRODUCTION UNIT SUFFERED PRODUCTION BREAKDOWNS AND ACCIDENTS. EQUIPMENT REPAIR WAS ALSO FOUND TO BE SLOW AND BELOW STANDARD. AND SINCE SULFURIC ACID IS A PRIMARY FEED-STOCK, THE DECLINE IN MINERAL FERTILIZER PRODUCTION FOLLOWED IN TANDEM.

4. THE MINISTRY OF THE CHEMICAL INDUSTRY THEN ISSUED A DECREE OUTLINING STEPS TO OVERCOME THE DIFFICULTIES AND GOSSNAB ALLOCATED ADDITIONAL EQUIPMENT AND MATERIAL TO PERMIT THE DEFICIENT UNITS TO BE PUT INTO WORKING ORDER. THE NEEDED REPAIRS, HOWEVER, WERE NOT ALWAYS MADE AND NOW AT FOUR INSTALLATIONS, THE BALAKOVO CHEMICAL PLANT, DOROGOBUZH NITRATE FERTILIZER PLANT AND THE TWO PREVIOUSLY MENTIONED PRODUCTION ASSOCIATIONS, THE SITUATION IS PRACTICALLY "UNCHANGED." THE ARTICLE BLAMES THIS PROBLEM ON THE LEADERSHIP OF SEVERAL ALL-UNION ASSOCIATIONS WITHIN THE MINISTRY AS WELL AS ON THE CENTRAL MINISTRY STAFF ITSELF FOR NOT ENSURING THAT SUBORDINATE UNITS FULFILLED THEIR OBLIGATIONS.

5. KOROBKO ALSO NOTES THAT COMPLETION OF CONSTRUCTION AND ACTUAL START-UP OF NEW SULFURIC ACID PLANTS HAS BEEN SLOW, IN ADDITION TO THE PROBLEMS WITH POOR QUALITY EQUIPMENT AND INADEQUATE SPARE PARTS DELIVERIES.

6. COMMENT: THIS ARTICLE SEEMS TO CHALLENGE DIRECTLY CHEMICAL INDUSTRY MINISTER KOSTANDOV WHO IN A SIGNED ARTICLE EARLIER THIS MONTH (REFTEL) BLAMED THE MINERAL UNCLASSIFIED

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FERTILIZER PRODUCTION SHORTFALL ON CONSTRUCTION DELAYS AND NATURAL GAS SHORTAGES AND MADE NO MENTION OF THE SULFURIC ACID PROBLEM, FOR WHICH HE WOULD BE RESPONSIBLE. THE TONE OF KOROBKO'S ARTICLE IS RATHER SHARP AND PROBABLY REFLECTS THE DEGREE OF OFFICIAL CONCERN ABOUT THE MINERAL FERTILIZER PRODUCTION, WHICH IS SO CLOSELY TIED TO PLANS FOR AGRICULTURAL DEVELOPMENT. AND WHILE THE MINISTER HIMSELF WAS NOT NAMED IN THE ARTICLE, IT WOULD APPEAR THAT

THE TOP MINISTRY LEADERSHIP HAS NOW BEEN PUBLICLY WARNED
THAT BETTER PERFORMANCE IS REQUIRED.
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